



Inside Congress

by United States Representative George R. Nethercutt, Jr.

For the week ending July 19, 2002

Welcome to this week's edition of Inside Congress. I am glad to share with you a little of my work in the national legislature. Please follow the listed links or contact my office for more information on the topics mentioned here.

HOUSE INCREASES PENALTIES FOR CORPORATE ACCOUNTING FRAUD

In the wake of recent scandals involving such companies as Enron, Worldcom, Global Crossing, and a growing number of other companies, it is necessary to strengthen our laws in order to restore the integrity of our markets and hold accountable those corporations and their executives who have defrauded investors and harmed the American economic system. This week the House passed **the Corporate Fraud Accountability Act of 2002** to increase the punishment on corporate wrongdoers and set guidelines to keep this type of fraud from recurring.

Key provisions of the bill include:

Quadruples the penalties for mail and wire fraud and creates a new "securities fraud" section that carries a maximum penalty of twenty-five years; strengthens laws that criminalize document shredding; closes loopholes by which corporate officers can use bankruptcy laws to discharge liabilities based on securities fraud; requires top corporate executives to certify that the financial statements of the company fairly and accurately represent the financial condition of the company; increases the criminal penalties for corporations who file false statements with the Securities Exchange Commission to a maximum penalty of \$25 million; and, freezes extraordinary payments to executives while a company is subject to an SEC investigation.

HOUSE PASSES INTERIOR SPENDING BILL THAT PROTECTS FISH, FORESTS

The House of Representatives has passed an interior spending bill that will provide over \$10 million for specific conservation and restoration efforts in Eastern Washington.

This bill will enable Eastern Washingtonians to continue manage their natural resources effectively for future generations. The funding in this bill enables us to protect two of the Northwest's most precious resources, fish and forests.

The projects must be reconciled with the Senate's interior spending bill before any funding will be released.

Projects receiving funding in the 5th District will include: Gonzaga Inland Northwest Natural Resources Research Center (INNRRC) for research on resource-based industries, Touchet River Road repairs in the Blue Mountains above Dayton, Salmon Habitat Conservation in Walla Walla, Columbia counties, diabetes treatment and prevention for Native Americans, WSU Salmon Restoration Program, Bull Trout protection, Columbia River Estuary Research Program (CORIE) for environmental observation and forecasting, fish culverts for salmon recovery across the state, Lake Roosevelt Forum, Lake Roosevelt Management, CReating OPportunities Program - Colville National Forest. The CROP Program works to find environmentally beneficial ways to thin unhealthy, overstocked timber stands while producing an economically viable product.

The interior bill provides \$19.8 billion to fund our land management agencies, the Bureau of Indian Affairs, the Indian Health Service, the Smithsonian museums, and the arts and humanities. The bill also includes \$700 million in emergency wildfire fighting funding to take care of this year's needs as a result of catastrophic fires in the West.

PROTECTING FARMERS FROM UNFAIR USDA PRACTICES

I am looking into the unfair release of Commodity Credit Corporation (CCC) reserve wheat stocks that occurred earlier this month. The USDA released 275,000 thousand metric tons (10.1 million bushels) of wheat to be sold to finance food aid donations by the U.S. to southern Africa for drought relief. A procedure has been in place for 20 years limiting the percentage of sale of CCC's inventory in any one warehouse to soften the economic impact on individual businesses.

The USDA abruptly changed policy and released the wheat without guidelines or restrictions, or due notice of a change in procedure. This change in policy allowed grain buyers to pick and choose wheat from individual warehouses and buy all of their reserve wheat. This loss of storage income will cost elevators in our district \$900,000 of annual income, and only a handful of warehouses will absorb this tremendous loss. While elevators know that stored reserve wheat could be called at any time, the government had set a precedent of limiting the total amount for sale from any one warehouse, making it economical to keep warehouses open.

USDA has thrust small warehouse companies that have had grain purchased into extreme financial hardship through this unannounced change in procedure. I am working to find assistance for these unfortunate individual elevator companies while also demanding that this type of policy is changed to a more equitable procedure of release of government stocks.

FOREIGN TRADE EXPORT REGULATIONS SEMINAR NEXT WEEK

On Thursday, July 25, eight international trade specialists from five key U.S. government agencies will conduct a comprehensive U.S. export regulations seminar. The program is designed to inform exporters, freight forwarders, customs house brokers, carriers, and others involved in the export process about U.S. export regulations and requirements.

The seminar will take place at the Double Tree Hotel near SeaTac Airport in Seattle. To register, call (703) 893-8080 and ask for Gemma or Evelyn.

ON THE FLOOR

Here is a recap of the legislative activity for the week:

H.R. 5118, the Corporate Fraud Accountability Act of 2002. The bill passed by a vote of 391-28. I voted yes.

Please see above for more information.

H.R. 5093, Fiscal Year 2003 Interior Appropriations Act. The bill passed by a vote of 377-46. I voted yes.

The interior bill provides \$19.8 billion to fund our land management agencies, the Bureau of Indian Affairs, the Indian Health Service, the Smithsonian museums, and the arts and humanities. The bill also includes \$700 million in emergency wildfire fighting funding to take care of this year's needs as a result of catastrophic fires in the West. You can read more about what the bill includes for the 5th District on my Web site at www.house.gov/nethercutt/news.

H.R. 5121, Fiscal Year 2003 Legislative Branch Appropriations Act. The bill passed by a vote of 365 – 49. I voted yes.

The Legislative Branch Appropriations spends \$2.6 billion for House and certain Senate operations as well as various joint support services and federal agencies, such as the Capitol Police and the Library of Congress, that are associated with the legislative branch.

SCHEDULE

A great deal of time this week was devoted to debating the Interior Appropriations legislation on the floor. As a co-author of the bill, I helped managed this debate and fought amendments that would increase the cost of the bill without offering revenue to pay them. As American families are feeling the pinch in their wallets, so is the

government. With limited resources, the government must be more frugal with taxpayer dollars.

This week I met with Elaine Marquis-Brong, the new Washington and Oregon director of the Bureau of Land Management. Sharon Tolton, deputy director of the Washington State Criminal Justice Training Commission met with me at my office to discuss training for first responders, funding for a forensic computer lab, and virtual reality as a training tool. I met with John Iani, Region IX director of the Environmental Protection Agency, regarding Box Canyon Dam, Lake Roosevelt, the Coeur d'Alene Basin, and the Wallula air quality issue. I attended the Environmental Respect Awards where I was pleased to see the Colfax Grange Supply given the top national award.

I appeared on a live Mandarin-language talk show produced by Voice of America where I answered questions about America's war on terrorism from Chinese callers. This program fills a significant void in China where citizens are not able to speak with their government leaders.

Roger and Jan Pike of Spokane visited me at my office with their three daughters.

CONTACT INFORMATION:

I always enjoy hearing from you. Please feel free to contact me if I can be of assistance to you in any matter. Here are some of the ways you may reach me, especially if you know of others who may want to receive this report each week:

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